

## The Navajo Nation Office of the President and Vice President

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## FOR IMMEDIATE RELEASE

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## Payroll delayed for Navajo Nation employees

**WINDOW ROCK** – The Navajo Nation Office of the President and Vice President was made aware of payroll delays for Navajo Nation employees from a memorandum issued by the Office of the Controller that was addressed to the Navajo Nation's three branch chiefs.

The memo states, "Payroll is processed as regularly scheduled on January 1, 2020. Direct deposited will be posted dependent on individual banking institutions. Payroll checks will be released January 2, 2020, which is the following business day after the holiday."

Pursuant to the memo from the Office of the Controller, the delays are due to the New Year holiday and in part to the business hours of private banking institutions. The timing of direct deposits will depend on the business hours of each banking institution.

"We understand the inconvenience that this has caused our Navajo Nation employees. Payroll delays are due to the New Year holiday and business hours of private banking institutions. We recognize the inconvenience that this has caused and we will work to ensure this does not reoccur. We will continue to monitor the situation," said President Jonathan Nez.

In response to an inquiry from the Office of the President and Vice President, the Office of the Controller further indicated that issuing early payroll would have had major IRS tax implications for employees including:

W-2s would have had 27 pay cycles for 2019, instead of the usual 26 pay cycles in a given calendar year

1099's and 1098's for Credit Services for all payroll deductions would change

Employee Housing would accelerate a payment

Employee Benefits would accelerate a payment.

Payroll taxes to Federal and State would accelerate one day earlier

"Although this matter is being addressed, it also underscores the importance of financial management and planning. We understand the inconvenience this has caused and we are certain this issue will be worked out so that it does not happen again," said Vice President Lizer.

The Office of the President and Vice President is hopeful that financial institutions will understand the circumstances and work with employees.

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